



**Minutes of 144th Public Meeting
of the Arizona Sports & Tourism Authority
Board of Directors**

Tuesday, March 1, 2016
12:00 p.m.
Arizona Sports & Tourism Authority
1 Cardinals Drive
Glendale, AZ 85305

In Attendance:

Board Members Attending in Person

Maria Baier – Board Vice Chair
Jeff Overton
Judy Bernas
Debbie Johnson
Jeff Meyer
Doug Yonko
Tom Rawles

Staff

Tom Sadler, President and CEO
Kevin Daniels, CFO
Robin Lea-Amos, Office Manager

Authority General Counsel

Sarah Strunk – Telephonically
C.W. Ross – In person

Board Members Attending Telephonically

Jody Harwood

Board Members Absent

David Eberhart

Guests:

Peter Sullivan - Spectra (Formerly Global Spectrum)
Melissa Wasson – Spectra (Formerly Global Spectrum)
Andrew Bagnato – Bagnato Pflipsen Communications
Ron Minegar – Arizona Cardinals Football Club
Doug Thornton – SMG
Jim McCue – SMG
Jennifer Cooke – SMG
Hank Abate – Spectra
Fred Corsi – Spectra
Scott Norton – Spectra
Jessica Donahue – Spectra

John Drum – Arizona Cardinals Football Club
Kristin Pflipsen – Bagnato Pflipsen
Communications
Craig Skiem – CSI International
Shauna Elvin – SMG
Evan Homes – SMG
Leonard Bonacci – SMG
Todd Glickman – Spectra
Fred Corsi – Spectra
Tarena Smith, CMP – Spectra
Tony Guanci – Danny Wimmer Presents

1. **Call to Order:** The 144th public meeting of the Arizona Sports & Tourism Authority's (the "Authority") Board of Directors (the "Board") was held on Tuesday, March 1, 2016 at the offices of Arizona Sports & Tourism Authority, 1 Cardinals Drive, Glendale, Arizona 85305. A quorum being present and the meeting having been duly noticed, Vice-chair Maria Baier, called the meeting to order at 12:04 Robin Lea-Amos held a roll call of members participating.

Vice-chair Baier recognized the guests who were in attendance at the meeting

2. **ACTION ITEM: Consideration of Minutes from February 16, 2016 Board Meeting** Vice Chair Baier called for a motion to approve the minutes of the Board meeting held January 5, 2016, **attached hereto as Exhibit A**. Upon motion duly made by Member Johnson and seconded by Member Baier, the minutes were unanimously approved.
3. **INFORMATION ITEM: Overview of Presentation Schedule by Stadium Management, Operation, Maintenance and Marketing Services Proposers**. Mr. Craig Skeim of CSI International, Consultant for the Authority, shared the status of the RFP process and the schedule of presentations by the two proposers who responded to the RFP.
4. **INFORMATION ITEM: Presentations by Proposers for the Stadium Management, Operation, Maintenance and Marketing Services**. Vice Chair Baier invited SMG to begin their presentation.

Mr. Doug Thornton, Executive Vice President of SMG, introduced the attending staff of SMG and gave the presentation on behalf of SMG. Mr. Thornton presented the following in their presentation: (1) how to increase bookings, (2) detailed 90 day transition plan, and (3) business deal that is performance based with no fixed fee, including three alternatives in the fee structures. He also reported specifics to the organization: (1) SMG executive and transition team, (2) highlights of the currently managed NFL stadiums, and (3) large events acquired by SMG. Mr. Thornton reported that 92% of the SMG managed facilities are governed by public bodies. Mr. Thornton reported that SMG would put \$500K into an Event Revenue Fund to assist the promoting and to reduce the risks in the booking of events for the stadium.

Member Overton asked how the relationship at Chase Field would impact a potential relationship with University of Phoenix Stadium. Mr. Bonacci reported that SMG owns a small piece of Select Artist, which manages Chase Field. He further reported that due to the type of venue, location and number of sport days, there would be no impact to the stadium. Member Overton asked how the \$500K Event Revenue Fund would be used and controlled. Mr. Bonacci explained that the Authority would have complete control of the Fund. Member Harwood asked that to insure the success of the stadium after transition, what the ongoing structure would be once the transition has taken place. Mr. Bonacci explained that there would be an Executive Vice President and other Executive staff engaged in this project on a continuing basis.

Upon no further questions of SMG, Ms. Baier recommended a 15 minute break before continuing. Upon conclusion of the break, Vice Chair Baier invited Spectra to begin their presentation.

Mr. Todd Glickman, Senior Vice President, Business Development and Client Relations, of Spectra introduced the attending staff and began the presentation on behalf of Spectra. Mr. Glickman indicated he would be talking about what a great 9 ½ years it has been managing the stadium and about the future. Mr. Glickman gave what Spectra believed is the needed deliverables in the next five years: (1) more events, (2) maximizing attendance, (3) great marketing, (4) delivering a great customer experience, (5) tenant relations, (6) increased revenues and decreasing expenses. Mr. Glickman shared the background of Spectra ownership and other venues managed by Spectra. Mr. Glickman explained the three divisions that fall under Spectra: (1) venue management division, (2) food services and hospitality, (3) ticketing and fan engagement. Mr. Glickman introduced Mr. Tony Guanci, Vice Chairman of Danny Wimmer Presents to share about the relationship and future proposals as they relate to potential upcoming events. Mr. Hank Abate, Senior Vice President of Spectra highlighted the motorsports events just held at the stadium. Mr. Glickman also reported that Spectra is committed to \$1M in future capital investments, more events, and increased improvement over budget.

Member Yonko asked for clarification regarding the potential of booking more events at the stadium. Peter Sullivan explained that in addition to adding event days, the goal would be also to book multiple events at the same time using different sections of the stadium and to focus on those events that bring in the most revenue. Member Overton asked that of the last several years of events, how many were obtained as a result of local marketing versus corporate relationships. Mr. Glickman responded that several events were generated as a result of Spectra corporate relationships. Member Johnson asked what lessons have been learned in the last 9 years that will help moving forward in the next five years. Mr. Sullivan explained that managing the stadium calendar is a difficult challenge due to not knowing the NFL dates until April. Member Rawles asked what the \$1M in future capital investments would include. Mr. Glickman indicated that it would be at the Authority's discretion along with Spectra to determine the best use of those funds.

5. **ACTION ITEM:** Consideration of Motion to enter into Executive Session pursuant to A.R.S. §38-431.03(A)(4). Discussion or consultation with the attorneys of the public body in order to consider its position and instruct its attorneys regarding the public body's position regarding contracts that are the subject of negotiation, such as the Stadium Management Agreement. Upon motion duly made by Member Rawles and seconded by Member Johnson, the board entered into executive session.
6. **INFORMATION ITEM:** Staff Report. Mr. Sadler reminded the board of the upcoming Soccer matches to be held at the stadium as well as the Final Four in Houston which members of the Phoenix Local Organizing Committee will be attending as a future host.
7. **INFORMATION ITEM:** Announcement of future meeting dates. Mr. Sadler reminded the board that there would be two board meetings scheduled in late March and early April.
8. **ADJOURNMENT:** There being no further business of the Board and upon motion duly made by Member Baier and seconded by Member Johnson, the meeting was adjourned at 3:45.